



The Advisor

for our Active members

A periodic publication of the Massachusetts Teachers' Retirement System as a service to its members

August 2014

Executive Director Joan Schloss to retire

Board appoints Deputy Executive Director Erika Glaster as successor

After more than three decades in public service, MTRS Executive Director Joan Schloss has decided to retire, effective January 31, 2015. On July 25, the Board appointed longtime Deputy Executive Director Erika Glaster as her replacement.

Joan started at the MTRS as General Counsel in 1986 and became Executive Director in 2003. A Chicago native, Joan earned her Bachelor of Arts from Boston University and graduated from Suffolk University Law School. Prior to joining the MTRS, she served as Counsel to the Boston Retirement Board.

"Joan's retirement will be a big loss to us and to our members," said Board Chairman Jeff Wulfson, Deputy Commissioner of the Department of Elementary and Secondary Education. "We are grateful for her many years of leadership and for the high standards of professionalism and service that she set for our agency."

Nicola Favorito, Executive Director of the Massachusetts State Board of Retirement and the Treasurer's Designee to the Board, added, "I have been fortunate to work with Joan for more than fifteen years. As a colleague and a friend, I will miss the opportunities to work with her."



Erika Glaster

Erika, a Gloucester native who now lives in Ipswich, started with the MTRS in 1986 as a retirement counselor. In the years since, she has served as Director of the Western Regional Office, Assistant Executive Director, and, most recently, Deputy Executive Director.

In a memo to staff about the Board's unanimous decision to appoint Erika, Wulfson wrote, "What impressed the Board about Erika was her clear commitment to providing excellent customer service, her mastery of Chapter 32, and her demonstrated ability to bring out the best in all who work with her.

Her familiarity with MTRS will help ensure a seamless transition."



Joan Schloss

Joan said the people of the MTRS have been her favorite aspect of the job. "I'm surrounded by a staff who demonstrate daily commitment to making sure that we are addressing the needs of educators," she said. "Even though we've expanded to close to 100 staff members, we still maintain a familial atmosphere."

Looking back over the last 11 years of her administration, Joan said, "The challenge has

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—Jeff Wulfson, Board Chairman

been in maintaining our day-to-day operations and providing good service to our members, while, at the same time, dealing with major revisions to the retirement laws and other large projects." She added, "My tenure has been years of change."

Indeed, during that time, the MTRS has successfully both experienced and initiated many changes: we relocated both our main and western regional offices; developed an integrated information management application for use by school districts, staff and members; and, implemented the numerous and wide-ranging legislative provisions of three separate pension reform acts (the last of which created, for the first time, a new membership tier).

In retirement, Joan plans to take up cycling and volunteer at the Massachusetts General Hospital's Yawkey Center For Outpatient Care. She also looks forward to spending more time with her husband Bob and their beloved dog Lucy.

We wish her the very best in retirement!



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FROM THE CHAIRMAN

A year of celebrations

In 2014, three milestones for the MTRS

We're celebrating three things at the MTRS this year.

First is the completion of the MyTRS benefits system. Five years in the making, this new computer system will allow us to process your contributions and benefits more accurately and efficiently, and in the future it will also offer web-based self-service functions for our members. Congratulations to the MTRS staff for their hard work in getting the new system in place while still handling the normal flow of business.

Second is the soon-to-come-to-a-close tenure of our Executive Director, Joan Schloss, who is retiring at the end of the year. During her 28 years of service with MTRS, the last 11 as Executive Director, Joan has exemplified the professionalism and caring that is a hallmark of MTRS's service to its members.

We will miss her terribly, but she will be leaving the system in good hands. The Board recently voted to appoint Deputy Executive

Director Erika Glaster as Joan's successor. Erika has also been with the system for 28

"We are confident that Erika will maintain the high standard of performance that you expect and deserve."

that you expect and deserve.

years in various roles, and we are confident that she will maintain the high standard of performance

Third is the 100th anniversary of the founding of the Massachusetts Teachers' Retirement System. One hundred years of providing retirement security for those to whom we entrust the responsibility of educating the next generation: every citizen of the Commonwealth should take pride in that accomplishment.

Happy birthday to us!

MTRS and PRIM Board updates



Anne Wass, the Governor's appointee to the **Massachusetts Teachers' Retirement Board**, was reappointed to her second four-year term in April. Mrs. Wass, a former president of the Massachusetts Teachers

Association, taught sixth grade at the Hanover Middle School for 31 years. She has served on the MTA Board of Directors and state Executive Committee, and as president of her local association in Hanover.

Bob Brousseau was re-elected in May 2014 as our members' representative to the **Pension Reserves Investment Management**



(PRIM) Board.

Mr. Brousseau is PRIM's longest serving Board member, initially elected in 1987. He also serves as Chair of the Administration Committee.

Mr. Brousseau retired in 1994, after 34 years of dedicated service as a classroom teacher in the Wareham School System. Mr. Brousseau is a member of the National Education Association (NEA), the Retired Educators Association of Massachusetts (REAM) and has been a long-time activist with the Massachusetts Teachers Association.



Happy 100th birthday, MTRS!

On July 1, the MTRS celebrated a century of service to educators

When the Massachusetts Teachers' Retirement Association opened its doors on July 1, 1914, it did so under the advisement of the Board of Education, who reported to the state legislature that "a system of pensions for teachers...will attract to the public service a higher type of individuals than would otherwise enter it, and will tend to preserve in such individuals those qualities of mind and heart on which lasting success depends."

A century later, those words still ring true. We may have had different names over the years, but our commitment to educators remains unchanged.

The Teachers' Retirement Association was established as part of Chapter 832 of the Acts of 1913, signed on June 19, 1913. The legislation had a tumultuous history: in 1911, a bill asking for enactment of a teachers' retirement system failed to pass. The Legislature instead passed a resolve asking the Board of Education to decide whether such a system would work. In response, the Board presented recommendations with Chapter 832, the bill that created the MTRS, effective July 1, 1914.

Over the past 100 years, the MTRS has seen economic depression and booms, two World Wars, and countless numbers of retirees and active members. No matter the circumstances, we are committed to serving our members for many years to come.

A look back through the years...

1913

Chapter 832 of the Acts of 1913, which calls for the creation of the Teachers' Retirement Association, is proposed. Governor Foss signs the bill.

1914

The Teachers' Retirement Association opens on July 1.

1945

The State Legislature passes Chapter 658, which creates a uniform retirement law for all public employees.

1970s

The membership of the Teachers' Retirement System nearly doubles between 1958 and 1970, but the Commonwealth's budget does not keep pace. Because of budgetary and staffing constraints, bookkeeping and retirement processing suffers.

1980s

The MTRB begins to turn around. By the start of the decade, some member records are computerized, some retirement functions are automated, and statements are on time.

1984

Thomas Lussier becomes Executive Director. Lussier expands the MTRB's mission to include retirement education for members, a priority that remains.

1988

To better serve our members in the four western counties and Worcester County, the MTRB opens its first Western Regional Office, in Chicopee. (The office moves again, to Springfield, in 2000.)

2001

"RetirementPlus," which provides an enhanced benefit after 30 years of service—and increases the contribution rate to 11%—takes effect.

2003

Joan Schloss becomes Executive Director and reaffirms the agency's commitment to member education.

2006

The MTRB moves to its current Cambridge location and changes its name to the Massachusetts Teachers' Retirement System.

2007

MTRS membership surpasses the membership of the State Retirement System, and the MTRS becomes the largest of the Commonwealth's 105 retirement systems.

2011

Chapter 176 of the Acts of 2011, commonly known as "Pension Reform III," is passed. Among many changes, the bill increases interest rates for certain types of service purchases, allows some retirees to receive credit for past maternity leaves, and creates a second Membership Tier that provides lesser benefits for new members.

2014

The MTRS celebrates its 100th anniversary.

The MTRS: Then and now

	1914	Now
Number of:		
Retirees	176	59,019
Active members	7,336	87,765
Contribution rate	5%	11%
Average age of retiree	67	70.8
Average annual benefit	\$380*	\$40,258

*For those wondering, \$380 equals \$9,040 now.

PRIM named Public Pension Plan of the Year

Fund value \$60.7 billion; highest since inception

The Pension Reserves Investment Management (PRIM) Board, the organization that manages the assets of the MTRS, was recently named “Public Pension Plan of the Year” by *Institutional Investor*, a publication known for its extensive industry research and rankings.

The recognition is part of the publication’s Investor Intelligence Awards, an annual celebration of outstanding individuals and organizations in the investment industry, both public and private.

In fiscal year 2014, PRIM generated a 17.6 percent return for its fund—an investment gain of \$9.4 billion. That performance drove the net asset value of the fund to \$60.7 billion, the highest since its inception in 1984. It also outperformed the pension fund’s benchmark index by 268 basis points, resulting in \$1.4 billion in added value above the benchmark.

PRIM’s mandate is to accumulate assets through investment earnings and other revenue sources in order to reduce the Commonwealth’s unfunded pension liability and to assist local participating retirement systems in meeting their future pension obligations.

Service purchase application processing update

Caseload reduced by 30%; volume still substantial

As you may remember, we received a record number of service purchase and refund buyback requests last year, largely due to the interest rate increase for most purchases. In the first seven months of 2013 alone, we received 14,718 applications—a 407% increase over the same period in 2012!

While our caseload remains considerable, we are making progress in processing your service purchase applications and refund buyback requests. Our staff has been working nonstop to review your applications as quickly as possible, and the number of outstanding service purchase requests is now 10,300—30% less than the caseload of a year ago.

As always, we are extremely appreciative of your patience. Please know that we are working steadily through this caseload, and we are making every effort to make this process as efficient as possible.

NOTE: If you are retiring within the next four to six months and you have one or more service purchase applications currently pending with us, please let us know so that we may give your service purchase requests priority.



Quick reminders for active members

What should I do before I retire?

Within five to ten years of retiring...

- ☐ Use our online tools to estimate what your benefit will be
- ☐ Be informed—attend our educational seminars and review our website
- ☐ Research your retiree health insurance and, if you are also eligible to receive Social Security benefits, the two offset provisions

Within six months to one year of retiring...

- ☐ Make certain all service purchases are completed and credited
- ☐ Apply for continuing health insurance coverage with your employer
- ☐ Complete the retirement application process
- ☐ Review the rules for working after retirement
- ☐ Contact our agency with any questions you might have